

abstract**Tendency and trend of consumer in purchasing goods after the Great East Japan Earthquake**

In the past, after the Hanshin Awaji Earthquake or any other major natural disasters has occurred, the tendency of "spending less" attitude among the individuals was constantly emphasized; and this tendency has been witnessed more severely and it has impacted many Japanese nations acting "voluntarily refrain from spending" after the Great East Earthquake.

On the other hand, overwhelming needs of replacing or purchasing lost items, lifeline items, emergency supplies, emergency foods for households and companies around the Earthquake stricken areas have been observed. This phenomenon even led to the "sold out" items due to the many individuals buying up items resulting in scarce of items in the market; and the production markets were hardly being able to keep up with the demand.

Currently CIRCLIDGE is conducting a research to determine the types of items that are crucial to the consumers involving natural disasters in order to help the disaster prevention and rehabilitation industries to eventually contribute to the disaster stricken community.

CIRCLIDGE believes that this study will provide vital information to the production and merchant industries to focus on the target items relating in an event of major disasters which unfortunately may happen in future as already being predicted. This research should also contribute to the efficiency and productivity of the items that should be available to the consumers in the timely manner. This conducted research is to mainly serve as a vital tool to the Industries such as the emergency suppliers, outdoor merchants, hardware stores, clothing stores, supermarkets, etc.

Report detail (Extract)**1. Consumer trend in the disaster stricken area after the disaster occurrence**

Currently, the increased revenue has been recorded among the major department stores, super markets, home center and appliance stores in the most affected area of Tohoku region. The gross revenue of the department stores across Tohoku region was 190,670,000,000 Japanese Yen in 2011, comparing to the 2010, the difference is minimal of -0.6%. Then its gross revenue was sharply plunged (-43.7% compared to a year before) as of March, 2011 right after the Earthquake and Tsunami occurrence. However, despite of the devastating situation for many residents, the demand of quick restoration and recovery were evidently expressed among the affected residents; and it has lead to the increased gross revenue by May of 2011 among the major retailers, especially the home centers and appliance stores, and super markets.

The gross revenue of the home center businesses has been significantly increasing even after the March of 2011 or even more. According to the TEIKOKU DATABANK (TEIKOKU DATABANK, LTD.), the gross revenue of the 9 major home center companies (which headquarters are located in Tohoku region) was 151,678,000,000 Japanese Yen. This is 12.3% more compared to the previous year. Also in the aspect of a bottom line profit, it is a triple value compared to the previous year among the 7 out of 9 companies. This number implies the unprecedented high demand of purchasing the basic living necessities in order to restore and rehabilitate what they have lost in the Earthquake and Tsunami.

Individual consumption after the Earthquake and Tsunami- Data from

◆ March-April, 2011

There was a tendency to stock up the food, drink, and basic living items in which the circumstances resulted in the scarce of over all items. There was a demand for the emergency supplies due to the continued aftershocks.

◆ May-August, 2011

The tendency of purchasing has been shifted to the industries of appliances and housing markets. It is evident that the strong demand of purchasing drinks especially the water and the foods that are produced outside the affected region have stayed the same due to the major concern of radiation exposure.

2. The consumption trend in outside the affected areas

In order to examine the effects of the Great East Japan Earthquake and Tsunami to the individual, below graph shows and compares the value of gross revenue of merchants after March 2011 and the previous year.

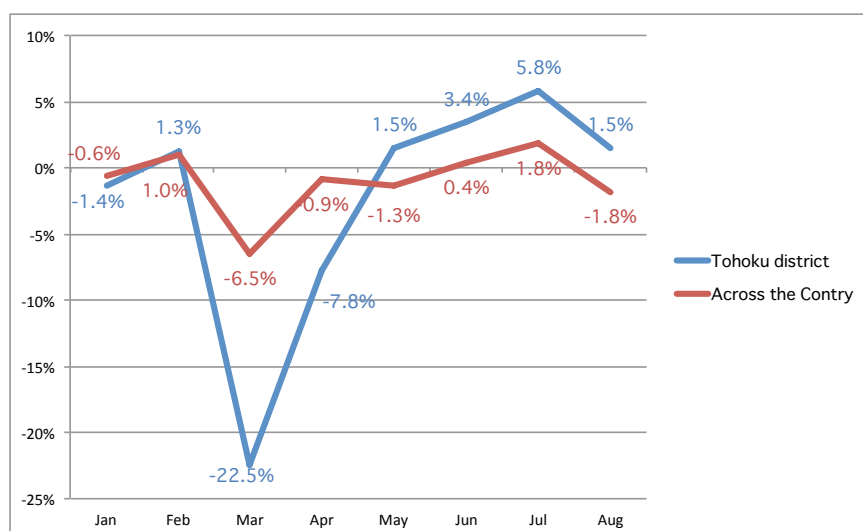


fig. Comparison in the gross revenue of merchants after Earthquake and the previous year

The tendency of quick recovery action has been recorded in the Tohoku region. Despite of plunging value of -22.5% right after the Great East Earthquake occurrence in the March of 2011, this number has improved to +1.5% in May, and +5.8% in July of 2011. However in a comparison, the revenue was less impacting as -6.5% among the rest of Japanese Nations in March of 2011 against the previous year though the quick recovery has been continuously expressed. This shows the different prospect from the trend being seen after the Hanshin-Awaji Earthquake as there was a minimal impact to the Japanese nations.

The most demanded items were drinks and water, foods, emergency supplies among the affected regions as well as the rest of Japanese nations right after the Earthquake. According to the sources from one of the E-Commerce site selling Health foods and Pharmaceutical items, the most demanded items are, emergency supplies (+2.9%), emergency foods (4.9%) after the earthquake.

Please contact **CIRCLIDGE** (<http://circlidge.com>) for a complete report.

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